

United States
Department of
Agriculture

Food and
Consumer
Service

Mountain
Plains
Region

1244 Speer Boulevard
Denver, CO
80204-2581

Reply to
Attn of:

SP 00-20
CACFP-619
SFSP-409

MAY 12 2000

Subject:

State Monitoring of Subrecipient Audits

To:

STATE AGENCY DIRECTORS
(Child Nutrition Programs)

- Colorado ED, Colorado DPHE,
Colorado HS, Iowa, Kansas,
Missouri ED, Missouri DH,
Montana OPI, Montana DPHHS,
Nebraska ED, Nebraska SS,
North Dakota, South Dakota,
Utah, Wyoming ED and
Wyoming DHSS

When the State agency (SA) passes money through to a local operating agency, the SA becomes responsible for tracking expenditures of Federal funding through reported information from the local operating agency. Because these "pass-through", SAs are uniquely in the position to know which local agencies are the recipients of the Federal funding for our programs. They are responsible for ensuring the Single Audit requirements are met for those agencies and are responsible for ensuring that follow-up resulting in corrective action occurs. SAs are required to maintain this level of oversight even though there may be other agencies in the State responsible for coordinating Single Audit performance.

In recent years, we have become concerned over the content of Single Audits and have noted problems that are nearly universal to all of our SAs. One problem is the oversight that our SAs maintain over the Single Audits performed of their subgrantees. These problems include:

- errors in tracking whether subrecipient Single Audits are being performed for all local recipients of Federal funding requiring such an audit;
- errors in ensuring that corrective action is properly being taken by local agencies; and

- errors in reporting the level of funding provided to (or expended by) local agencies.

In a few States, the problems noted in Single Audit reports have approached severe levels. In more than one situation, the auditor performing the State level Single audit, has indicated that the SA may not even be aware of all of the local operators (e.g., CACFP providers) subject to Single Audit requirements.

Recently implemented changes to the Single Audit Act have also added to the problem. Local agencies receiving federal funds must now consider their expenditure of funds rather than their receipt of Federal funds. This change, while not significant for the Child Nutrition Programs when determining the level of coverage, apparently surprised many State and local agencies. As a result the National Office is seeing a rash of findings where State and local agencies are failing to track local agency funding via reported expenditures.

Ideally, these issues are addressed in the audit management process, but the repeated nature of the problems suggests the need to raise the visibility of corrective actions by highlighting your efforts to comply with the requirements. Therefore, during future management evaluations, we will be reviewing the subrecipient audit system in each state.

To ensure there are no misunderstandings of the audit requirements, we are attaching a copy of Questions and Answers on 7 CFR Part 3052 (**Audits of States, Local Governments, and Non-Profit Organizations**).

If you have any questions, please contact our office.



STELLA NASH
Acting Regional Director
Child Nutrition Programs

Attachment



United States
Department of
Agriculture

FEB 7 2000

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

SUBJECT: Departmental Regulation (DR) 4300-3 Public Notification Policy

TO: Regional Administrators

Staff Directors

Deputy Administrators

Attached is a corrected copy of Departmental Regulation (DR) 4300-3, Public Notification Policy, dated November 16, 1999. DR 4300-3 provides for three nondiscrimination statements.

The first statement is for use by all USDA offices (Federally-conducted programs).

Federally-conducted programs are defined as: Solitary (one time) or continuing decisions, efforts, procedures, and practices of a USDA agency, corporation, committees, or other instrumentality for the purpose of, that result in, or that otherwise contribute to the availability or delivery of services, benefits, or resources for the use, enjoyment, or consumption by a member or members of the public. Examples of Federally-conducted programs include Regional Office Assisted Programs (ROAP), meetings, training, teleconferences, etc.

This statement is to be posted in all USDA offices and included, in full, on all materials produced by USDA and its agencies for public information, public education, or public distribution, except when the appropriate nondiscrimination statement applicable to recipients is distributed by USDA agencies or posted by recipients. This statement specifically lists all the prohibited bases for discrimination in the USDA Civil Rights Policy Statement. The statement shall be in English and in languages appropriate to the local population, and in alternative means of communication (Braille, large print, audiotape, etc.)

USDA's nondiscrimination statement:

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

(Not all bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

If the material is too small to permit the full statement to be included, the material will at a minimum include the statement, in print size no smaller than the text, that "The USDA is an equal opportunity provider and employer."

The second statement is for Food Stamp Program recipient agencies, and the third is for Special Nutrition Programs and other USDA programs.

Federally-assisted programs and activities are defined as: Includes but is not limited to money paid; rental or use of Federal property at below-market value; gift of Federal property; asset forfeiture funds; Federal training; loan of Federal personnel, subsidies and other arrangements with the intent of providing assistance. Federal financial assistance does not include contract or guarantee or insurance, regulated programs, licenses, procurement contracts at market value, or programs that provide direct benefits.

This statement is to be posted by Food Stamp Program recipient agencies and contains only those bases referred to in applicable Federal law. The statement is to be included, in full, on all materials regarding the recipients' programs that are produced by the recipients for public information, public education, or public distribution.

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, religion, political beliefs, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

The third statement is for Special Nutrition Programs and other recipient agencies and is to be included, in full, on all materials regarding such recipients' programs that are produced by the recipients for public information, public education, or public distribution.

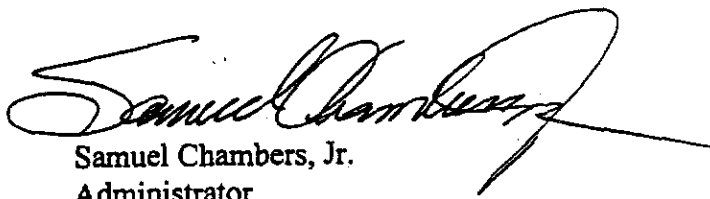
"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

If the material is too small to permit the full statement to be included, the material will at a minimum include the statement, in print size no smaller than the text, that "This institution is an equal opportunity provider."

In general, the USDA poster, "And Justice For All" will be used for this purpose except for suitable substitutes in outdoor areas, where necessary. Units will post the nondiscrimination statement in languages appropriate to the local population. Agencies will be responsible for obtaining and distributing appropriate posters to recipients, and ensuring that the nondiscrimination statement is posted in languages appropriate to the local population.

I hope the corrected DR 4300-3 clarifies the current civil rights policy requirements for use of the USDA nondiscrimination statements for USDA and its recipient agencies. If you have any questions, or need additional information, please call Ms. Gloria McColl, of my staff, at (703) 305-2213.



Samuel Chambers, Jr.
Administrator

Attachment

Corrected Copy

DEPARTMENTAL REGULATION		NUMBER: 4300-3
SUBJECT: Equal Opportunity Public Notification Policy	DATE: November 16, 1999	
	OPI: Office of Civil Rights	

1 PURPOSE

This regulation establishes policy for ensuring positive and continuing notification of USDA equal opportunity policy to the public.

2 CANCELLATION

This regulation replaces DR 4300-3 (February 25, 1998). Equal Opportunity Public Notification Policy.

3 SPECIAL INSTRUCTIONS

- a The nondiscrimination statements are to be used in the next issuance of publications, immediately after the approval date of this regulation.
- b Page 4, Section b (1) and (2) have been modified to delete "USDA and its agencies," and to insert "the recipients."

4 POLICY

It is the policy of the Department of Agriculture:

- a That no person shall be discriminated against on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases apply to all programs.) This policy will be communicated to the public through all appropriate USDA public information channels, in English and in languages appropriate to the local population and in alternative means of communication (Braille, large print, audiotape, etc.).
- b To reach out in proactive ways to persons who have not participated equally in its programs and activities in the past. This policy will be disseminated to persons through all public contacts.

6 DEFINITIONS

- a Recipient. Any State, political subdivision of any State, or instrumentality of any State or political subdivision; any public or private agency, institution, or organization; or other entity or any individual in any State, to whom Federal financial assistance is extended, directly or through another recipient, for any program, including any successor, assignee, or transferee thereof.
- b Beneficiary. The individual who ultimately receives program services or benefits.
- c Materials. This term includes print and non-print (audio, video, Internet, etc.) materials.

7 DESCRIPTION OF THE NONDISCRIMINATION STATEMENT

- a USDA - The nondiscrimination statement set out below shall be posted in all USDA offices and included, in full, on all materials produced by USDA and its agencies for public information, public education, or public distribution, except when the appropriate nondiscrimination statement applicable to recipients is distributed by USDA agencies or posted by recipients. The statement below specifically lists all the prohibited bases for discrimination contained in the USDA Civil Rights Policy Statement. The statement shall be in English and in languages appropriate to the local population, and in alternative means of communication (Braille, large print, audiotape, etc.).

USDA's nondiscrimination statement:

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964

Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

If the material is too small to permit the full statement to be included, the material will at minimum include the statement, in print size no smaller than the text, that "This institution is an equal opportunity provider."

8 RESPONSIBILITIES

a Office of Civil Rights will:

- (1) Provide policy guidance to agencies and recipients upon request and consistent with the findings of the Office of Civil Rights' monitoring activities.
- (2) Provide the necessary format for, and any changes to, the USDA nondiscrimination poster and the nondiscrimination poster to be used by recipients.
- (3) Monitor agency and recipient actions through established review activities for compliance with this policy.

b Office of Communications will:

- (6) Review and monitor all public information materials submitted to it for compliance with the policy established in this regulation. Originating offices will be counseled on appropriate remedies when necessary.

c USDA Agencies will:

- (1) Consult with the Office of Civil Rights on the appropriate content of proposals for new or revised nondiscrimination

- (8) Should not agree to participate in meetings with the knowledge that the meetings(s) were convened to avoid compliance with applicable nondiscrimination requirements.
- (9) Provide materials in alternative means of communication (Braille, large print, audiotape, etc.) upon request.

-END-

